



Washington State  
Department of Social  
& Health Services

*Medical Assistance  
Administration*

# News from HIPAA & Medicaid

**AN IMPORTANT MESSAGE FOR THE BILLING STAFFS OF HEALTH-CARE PROVIDERS:**

## **PHARMACY CONTINUES TO LEAD THE HIPAA-COMPLIANT LIST, WITH OTHER PROVIDERS SLOW TO SWITCH TO 837 FORMAT**

**OLYMPIA, Wash.** – Medicaid's dual support was giving Washington State providers the transition time they apparently needed during the first week the state accepted the new 837 claims format outlined by the Transactions and Code Set Rule (Rule 1) under the federal Health Insurance Portability and Accountability Act (HIPAA).

Pharmacists rushed into the new claim formats, with nearly 50 percent of the claims filed last week coming to Medicaid through the new 5.1 NCPDP system.

A number of larger clearinghouse operations have informed Medical Assistance Administration (MAA) that they do not expect to be sending HIPAA-compliant 837 claims immediately – and that it may be a few months before they are ready to switch. The most common plan appears to be one in which they will switch all of their providers' claims over to the new format at once, rather than send some to Medicaid in previous formats and some in the new formats. Individual providers with questions about this process are encouraged to talk directly to their clearinghouse or software vendor. Some 837 claims were being submitted in all three categories (physician, hospital and dentist) last week, and most were clearing the EDI GATEWAY, which serves as Medicaid's own clearinghouse at the front end of the Medicaid Management Information System:

**MAA-HIPAA  
Bulletin No. 10  
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**PROVIDER TYPES:** 348 individual providers changed their status from test to production via the HIPAA Web page (<http://maa.dshs.wa.gov/dshshipaa>). The bulk of them were doctors and clinics (214), with seven medical vendors, two hospitals, 11 dentists, 15 pharmacies and 84 EPSDT providers.

**POS:** 47.3 percent of the 366,763 pharmacy claims filed with MAA were filed in the 5.1 format; 65.1 percent were paid; 34.9 percent were denied. Of the claims submitted in the old 3.2 format, 74.9 percent were paid; 25.1 percent were denied.

**837:** 2,065 **837p** (physician) claims were submitted to EDI GATEWAY, and only 151 were rejected; seven **837d** (dentist) claims were received, and two failed to clear; 22 of the **837i** (hospital) claims were received; none failed to clear.

**WEB:** Three files were uploaded via the Web site, while the week recorded 11 Web downloads.

**270/271:** Six providers submitted 44 of the eligibility inquiries (270's) sent last week, but MAA has received numerous questions from providers who want to access this transaction. Little wonder. The service is fast and free – with the 271 response transaction sent automatically in response to the 270 inquiry transaction. (**NOTE:** Providers must be enrolled with Medicaid's vendor, Affiliated Computer Services (ACS) to use the 270/271 transaction. Call 1-800-833-2051 for information.)

**DIRECT CALLS:** Since MAA started making direct calls to providers in late September, 2,263 of approximately 7,000 targeted providers' offices have been contacted. Of that total, 1,541 said they were enrolled with ACS, and 112 said they were ready to send 837 production claims to MAA.

**PROVIDER REMINDERS:** Medicaid has no immediate plans to end dual support, but the federal HIPAA law ultimately will require compliance from all of us. The federal Centers for Medicare and Medicaid Services (CMS)

has said providers should be documenting their good-faith efforts to comply with the law. If your office has not begun this process, you should get it started now. Also, Washington State providers planning to file 837 claims must go to the DSHS HIPAA site (see below) to formally switch their status from “test” to “production.” Remember to send all of your “pay to” provider numbers. This proactive step is required before MAA can adjudicate their 837 format claims.

**NDC SOMETIMES NEEDS AN EXTRA ZERO:** The National Drug Code (NDC) is an 11-digit number the manufacturer or labeler assigns to a pharmaceutical product and attaches to the product container at the time of packaging. It now needs to be submitted on claims involving injectible drugs. The first five digits comprise the “labeler code” assigned to the manufacturer by the Food and Drug Administration (FDA). The second grouping of four digits is assigned by the manufacturer to describe the ingredients, dose form, and strength. The last grouping of two digits describes the package size. Unfortunately, some packaging drops a zero at the front of the number and offers only a 10-digit NDC. When that happens, providers can simply add a zero to the front of the appropriate group. For example: NDC 12345-123-12 would be corrected to 12345-0123-12, and 1234-1234-12 would be corrected to 01234-1234-12. The NDC number has not been required in the past and is not required by HIPAA but by the state, which can use the information to recover rebates owed on these medicines.

**CODING CORRECTION:** ATTN: Private duty nurses and maternity support service providers. Bulletin No. 6 said incorrectly that local codes in these two programs could be billed to MAA for dates of service up to Oct. 16. We were wrong! In fact, it is not possible to support both new and old rates for the same dates of service. Please use the new codes for all dates of service beginning with Oct. 1, 2003. Questions? Contact **Implementation Manager Karen DeLeon** at (360) 725-1141 or [DELEOKL@dshs.wa.gov](mailto:DELEOKL@dshs.wa.gov).

**DUAL SUPPORT:** Washington State has modified its current Medicaid Management Information System (MMIS) computers to handle the new HIPAA-compliant claims. But Medicaid is not turning off its current claims-handling process, so Washington providers will have a backup if their HIPAA claims run into difficulty. MAA also advises against reverting to paper claims, because the processing takes longer and will delay everyone’s claims reimbursements.

### HIPAA HELP (Save these contacts):

- **Affiliated Computer Services (ACS)** hot line for technical testing questions on software or ACS EDI GATEWAY SERVICES: [1-800-833-2051](tel:1-800-833-2051)
- **DSHS HIPAA Web site** for free software and HIPAA-compliance information: <http://maa.dshs.wa.gov/dshshipaa>
- **Federal HIPAA compliance site**, with practical advice for providers and the answers to frequently-asked questions (FAQ): <http://www.cms.gov/hipaa>
- **Executive summary of MAA’s HIPAA compliance plan:** [http://maa.dshs.wa.gov/dshshipaa/attachments/pdf/HIPAAExecSummary\\_012804.pdf](http://maa.dshs.wa.gov/dshshipaa/attachments/pdf/HIPAAExecSummary_012804.pdf)
- **ACS EDI Gateway, Inc.:** [http://www.acs-gcro.com/Medicaid\\_Accounts/medicaid\\_accounts.htm](http://www.acs-gcro.com/Medicaid_Accounts/medicaid_accounts.htm)
- **POS:** Email [provider.relations@acs-inc.com](mailto:provider.relations@acs-inc.com) or call 1-800-365-4944 to get in contact with customer service representatives and set up testing. Information is also available on the ACS Web site at: <http://www.acspbmhipaa.com>
- **SPECIAL POS SUPPORT:** Randy Stamp ([randy.stamp@acs-inc.com](mailto:randy.stamp@acs-inc.com))

### HUMAN CONTACT:

**Chris Johnson**, HIPAA Contingency Planning, 360-725-1239

**Bob Burlingame**, HIPAA Provider Testing, 360-725-1256

**Becky Boutilier**, HIPAA Communications Manager, 360-725-2129 ([boutibm@dshs.wa.gov](mailto:boutibm@dshs.wa.gov))

**Jim Stevenson**, MAA Communications Director, 360-725-1915 ([stevejh2@dshs.wa.gov](mailto:stevejh2@dshs.wa.gov))

Send email questions to [hipaacomunications@dshs.wa.gov](mailto:hipaacomunications@dshs.wa.gov)

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